

FOURTH BIENNIAL REPORT

of the

**California Horse
Racing Board**

of

CALIFORNIA

to the

GOVERNOR

and to the

Legislature of the State of California

For the Period December 1, 1938, to November 30, 1940



Printed in CALIFORNIA STATE PRINTING OFFICE
SACRAMENTO, 1941 GEORGE H. MOORE, STATE PRINTER

90507

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CALIFORNIA HORSE RACING BOARD

BOARD MEMBERS

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405 CHAMBER OF COMMERCE BUILDING
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SACRAMENTO, CALIFORNIA

To the HONORABLE GOVERNOR, and
To the Legislature of the State of California.

Pursuant to the provisions of Section 7, Chapter 769, Statutes of the State of California, 1933, entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," the California Horse Racing Board presents herewith its biennial report covering the period from December 1, 1938, to November 30, 1940.

The receipts of this board from all sources during the period covered by this report totaled \$6,205,440.04. As provided by law the revenue received by the board has been forwarded to the State Treasurer to be credited to the Fair and Exposition Fund. The California Horse Racing Board derives its revenue from the collection of 4 per cent of the mutual pools handled at licensed race meetings, from the fees collected for certain licenses and registrations and from fines levied against associations licensed to conduct race meetings.

The revenue derived by the State for this biennium shows an increase of \$1,019,325.24 over the biennium ending November 30, 1938.

The Racing Act passed in 1933 provided for an annual support appropriation of \$20,000 for the California Horse Racing Board. This support appropriation was increased to \$30,000 per annum at the 1937 session of the Legislature. The cost of administering the act for the biennium ending November 30, 1940, was \$53,477.64. (The members of this board receive no compensation for their services.) The net revenue to the State was \$6,151,962.40.

As an indication of the progress of the sport of thoroughbred racing in California there is shown below a statement of revenue received by the State each fiscal year since racing was legalized:

85th Fiscal Year, 1933-1934—Total revenue to State.....	\$259,657 36
86th Fiscal Year, 1934-1935—Total revenue to State.....	1,005,103 36
87th Fiscal Year, 1935-1936—Total revenue to State.....	1,587,373 44
88th Fiscal Year, 1936-1937—Total revenue to State.....	1,933,259 84
89th Fiscal Year, 1937-1938—Total revenue to State.....	2,061,142 32
90th Fiscal Year, 1938-1939—Total revenue to State.....	3,030,639 56
91st Fiscal Year, 1939-1940—Total revenue to State.....	2,832,230 66

It is estimated that for the fiscal year ending June 30, 1941, the revenue to the State will in all probability exceed \$3,500,000.

With the exception of specific appropriation of \$30,000 for the support of the Racing Board and \$10,000 to the Department of Finance, all of this revenue is allocated to State, county, agricultural district and citrus fairs, and to our agricultural schools and colleges, for their support and improvement. Many of the organizations are largely dependent upon these funds for their support and continuation of activities so vital to the agricultural progress of the State.

The following taken from the Department of Finance report of distribution of revenue derived from racing for the fiscal year ending June 30, 1940, will be of especial interest to those citizens of the State who are engaged in agricultural, horticultural, live stock and other activities benefited by the operation of our fairs and colleges:

REPORT OF DEPARTMENT OF FINANCE

Distribution of Revenue Received, 91st Fiscal Year, July 1, 1939, to
June 30, 1940

Total Revenue—Less: Appropriations.....		\$2,810,246 30
California Horse Racing Board, Chap. 486, 1939.....	\$27,500 00	
California State Fair.....	125,000 00	
Los Angeles County Fair.....	125,000 00	
Sixth District Agricultural Association.....	15,000 00	
Department of Finance.....	10,000 00	
Contributions to State Employees' Retirement Fund	4,446 51	306,946 51
Balance for fairs and other purposes.....		\$2,503,299 79
For Fairs:		
Citrus Fairs (National Orange Show—5%).....	\$125,164 98	
Agricultural Fairs (40%).....	1,001,319 92	1,126,484 90
Balance for other purposes.....		1,376,814 89
For Other Purposes:		
University of California (33%).....	\$454,348 92	
California Polytechnic School (25%).....	344,203 72	
Capital Outlay at Fairs (42%).....	578,262 25	

The allocation of these funds to the State, county and agricultural district fairs of California carries out in a substantial manner the declared purpose of the Racing Act—encouragement of agriculture and breeding. The continued progress and expansion of the breeding industry in the State is highly gratifying. The breeding stock of the State is being constantly augmented and improved by the addition of new stallions and brood mares from other sections of this country and abroad, and many new breeding farms have been established. These thoroughbred nurseries and other racing activities provide permanent employment to thousands of Californians and furnish a ready outlet for the agricultural products of the State.

The continued and growing interest of the public in the sport has resulted in highly successful race meetings throughout the State, the large financial profits of the racing associations being reflected in greatly increased purse and stake programs, unequalled in the history of racing, and the expenditure of large sums in the improvement and beautification of our racing plants. These beautiful race courses, and the high plane upon which the sport is conducted, now constitute one of the major tourist attractions of California. They not only attract the great racing stables of the country, but a multitude of sports-loving people who spend annually many millions of dollars in our State.

The provisions of the Racing Act that 3 per cent of the first money of every purse won by a horse bred in the State of California shall be paid to the breeder of such animal, and that there shall be at least one race each day limited to horses foaled in California, are being strictly complied with. The major race tracks of the State, upon recommenda-

tion of this board, have agreed to assume the 3 per cent heretofore deducted from the owner's purse and, in addition, will pay to the breeders a further bonus of 7 per cent of first money and 10 per cent of second, third and fourth money won by California bred horses. These bonuses, together with the many stakes established for California-bred horses, ranging in value from \$2,500 added to \$15,000 added, constitute a splendid inducement to California breeders, and create a ready market for California-bred horses.

The record shows that for the biennium covered by this report the huge sum of \$4,945,471.25 was paid in purses and stakes by the licensed associations and fairs operating under license by this board and that by far the major portion was won by our Western breeders and owners. During that same period California-bred horses won 1,565 races run on California tracks.

It is felt by the board that the avowed purpose of the Racing Act, "the encouragement of agriculture and the breeding of horses," is being substantially carried out, and that the sport has been established in California on a firm and enduring basis.

RACING PERMITS GRANTED

Name	No. of days	Total mutuel pools	1% State
Tanforan (Fall)			
December 1, 1938-December 17, 1938	13	\$1,655,290 00	\$66,211 60
Santa Anita (Winter)			
December 31, 1938-March 13, 1939	54	36,386,263 00	1,455,450 52
Tanforan (Spring)			
March 18, 1939-April 22, 1939	24	3,266,918 00	130,076 72
36th District Agricultural Association			
May 13, 1939	1	5,826 00	233 04
Bay Meadows (Spring)			
April 27, 1939-May 27, 1939	24	3,132,126 00	125,285 04
Hollywood Park			
May 30, 1939-July 29, 1939	46	10,567,045 00	782,681 80
9th District Agricultural Association			
June 30, 1939-July 4, 1939	4	36,840 00	1,473 60
Sonoma County Fair Association			
August 5, 1939-August 12, 1939	7	119,473 00	4,778 92
Alameda County Agricultural Fair Association			
August 10, 1939-August 12, 1939	3	10,923 00	796 92
Humboldt County Fair			
August 17, 1939-August 19, 1939	3	12,420 00	496 80
San Joaquin County Fair			
August 18, 1939-August 26, 1939	8	157,012 00	6,280 48
Del Mar (Summer)			
August 2, 1939-September 4, 1939	24	3,469,965 00	138,798 60
California State Fair			
September 1, 1939-September 9, 1939	8	379,475 00	15,179 00
35th District Agricultural Fair			
September 15, 1939-September 16, 1939	2	4,007 00	160 28

RACING PERMITS GRANTED—Continued

<i>Name</i>	<i>No. of days</i>	<i>Total mutuel pools</i>	<i>1/2 State</i>
Los Angeles County Fair September 15, 1939-October 3, 1939---	14	1,848,619 00	73,944 76
Fresno Fair September 19, 1939-September 23, 1939	5	54,814 00	2,192 56
41st District Agricultural Association September 21, 1939-September 23, 1939	3	5,899 00	235 96
Bay Meadows (Fall) October 7, 1939-November 11, 1939----	26	3,555,405 00	142,216 20
Tanforan (Fall) November 14, 1939-December 16, 1939	25	3,887,189 00	155,487 56
Santa Anita (Winter) December 30, 1939-March 9, 1940-----	45	28,376,066 00	1,135,042 64
Tanforan (Spring) March 15, 1940-May 11, 1940-----	41	7,036,114 00	281,444 56
30th District Agricultural Association May 4, 1940-----	1	8,575 00	343 00
Hollywood Park May 30, 1940-August 3, 1940-----	51	26,713,728 00	1,068,549 12
9th District Agricultural Association July 3, 1940-July 6, 1940-----	4	36,410 00	1,456 40
Alameda County Agricultural Fair Associa- tion July 24, 1940-July 27, 1940-----	4	90,460 00	3,618 40
Sonoma County Fair Association August 3, 1940-August 10, 1940-----	7	164,400 00	6,576 00
Del Mar (Summer) August 7, 1940-September 2, 1940-----	23	4,417,733 00	176,709 32
Humboldt County Fair August 15, 1940-August 17, 1940-----	3	16,079 00	643 16
San Joaquin County Fair Association August 17, 1940-August 24, 1940-----	7	184,542 00	7,381 68
California State Fair August 30, 1940-September 9, 1940----	9	559,774 00	22,390 96
Merced County Fair and Fiesta September 13, 1940-September 14, 1940	2	4,908 00	196 32
Los Angeles County Fair September 13, 1940-September 29, 1940	14	2,550,210 00	102,008 40
41st District Agricultural Association September 19, 1940-September 21, 1940	3	5,206 00	208 24
7th District Agricultural Association September 26, 1940-September 28, 1940	3	38,986 00	1,559 44
Fresno District Fair and Horse Show October 1, 1940-October 5, 1940-----	5	102,826 00	4,113 04
Bay Meadows (Fall) October 12, 1940-November 30, 1940--	36	6,490,175 00	259,607 00
Totals -----	552	\$154,360,701 00	\$6,174,428 04

PURSE AND STAKES DISTRIBUTION

<i>Name</i>	<i>Total purse and stakes</i>
Bay Meadows -----	\$556,300 00
Del Mar -----	300,610 00
Hollywood -----	1,290,300 00
Santa Anita -----	1,691,675 00
Tanforan -----	692,025 00
Pairs -----	405,471 25
	\$4,045,471 25

LICENSES AND REGISTRATIONS ISSUED

Owners' Licenses -----	\$2,367 00
Trainers -----	10,930 00
Special Trainers -----	339 00
Jockeys -----	2,890 00
Harness Horse Drivers -----	142 00
Apprentice Jockeys -----	143 00
Officials -----	146 00
Exercise Boys -----	781 00
Grooms -----	2,352 00
Pari-Mutuel Operators -----	2,590 00
Miscellaneous, Handlers, etc. -----	490 00
Authorized Agents Recording Fees -----	3,030 00
Assumed Names Registered -----	3,275 00
Jockey Agents -----	1,520 00
Duplicate licenses issued -----	17 00
	\$31,012 00

FINES AGAINST ASSOCIATIONS

None

SUSPENSION OF PERMITS ISSUED TO ASSOCIATIONS

None

LICENSEES SUSPENDED OR RULED OFF BY BOARD

Owners -----	4
Trainers -----	4
Jockeys -----	14
Exercise Boys -----	2
Jockey Agent -----	1

Herewith is the financial statement of this board for the period December 1, 1938, to November 30, 1940:

STATEMENT OF EXPENDITURES—FOURTH BIENNIAL REPORT

For the Period December 1, 1938 to November 30, 1940

<i>Function</i>	<i>Salaries and wages</i>	<i>Materials and Supplies</i>	<i>Service and Expense</i>	<i>Property and Equipment</i>	<i>Total</i>
Administration:					
Board members					
traveling --			\$2,357 97		\$2,357 97
Other traveling--			9,212 25		9,212 25
General Office --	\$24,589 04	\$1,354 19	12,350 11	\$840 49	39,133 83
Salary ad- justment to m i n i m u m paid this bi- ennium af- fecting prior biennium --	97 10				97 10
Postage -----			628 37		628 37
Tel., Tel. and Tel.			1,511 08		1,511 08
Freight, cartage, express ----			537 04		537 04
Totals--	\$24,686 14	\$1,354 19	\$26,596 82	\$840 49	\$53,477 64

STATEMENT OF INCOME—FOURTH BIENNIAL REPORT

From 4 per cent of total mutuel pools, \$154,360,701-----	\$6,174,428 04
From license fees, registrations, etc.-----	31,012 00
	<u>\$6,205,440 04</u>

**RECOMMENDATIONS OF CALIFORNIA HORSE RACING
BOARD TO LEGISLATURE****RECOMMENDATIONS OF
CALIFORNIA HORSE RACING BOARD
TO LEGISLATURE**

Under the mandate of Section 7 of the California Horse Racing Law the board as it is now constituted respectfully suggests that there are many amendments that are seriously needed to the present California Horse Racing Law for the best interests of horse racing in California.

MACHINERY OF BOARD

Primarily we suggest that that portion of the act setting up the machinery of the board is woefully lacking in that it as it has operated in actual practice the majority of the employees that the Board now has are paid by the private tracks and as a result there is existent in most instances a double loyalty which obviously can not be for the best interests of horse racing.

BOARD NEEDS MORE MONEY

Under the provisions of Section 13 of the Horse Racing Act it is provided that there shall be appropriated annually, out of the moneys coming into the State Treasury from the operation of the board, \$30,000 to the board to defray the expenses of the officers and employees provided for in the act. When consideration is given to the fact that horse racing under the supervision of this board brings a revenue into the State of California totaling approximately for the current year an estimated \$3,500,000, such a meager appropriation for the operation of the board is, frankly speaking, almost niggardly and certainly is less by a great deal than any private enterprise handling such large sums would ever think of setting aside to carry on their business.

BOARD SHOULD HAVE INVESTIGATION AND POLICING FUND

This board should have a larger personnel of employees working under their direction, all of whom should receive salaries commensurate with the work performed and the nature and amount of revenue which is produced by the board and, additionally, there should be a fund of at least \$50,000 for investigating and policing purposes at the various tracks under the direction and supervision of the board.

SECRETARY UNDERPAID

Our chief officer under salary, the secretary of the board, is now allowed a salary under Section 6 of the act of a sum not to exceed \$4,000 a year. This is the same salary that has been paid to him since the act was created in 1933, although his duties have increased yearly. The salary of this position should be \$10,000 a year.

ADDITIONAL PERSONNEL REQUIRED

In addition to the secretary there should be an assistant secretary to do the work of the secretary at the fairs and at such other racing meetings as may be held simultaneously with others in the State, and to carry on other duties in places elsewhere than the location of the secretary. This job should pay \$4,800 a year.

The position of censor has become a very important position and it can and should be combined with other duties of an investigating nature and should pay \$6,000 a year, with an assistant censor to act in the place and stead of the censor at such tracks as may hold simultaneous meetings, at a salary of \$3,600 per year.

The board should have their own veterinarians, lay assistants and plating inspector, which should be paid by the board. They are now paid by the tracks.

This board should likewise have the benefit of the services of a public relations man, who should be an employee of the board and receive his salary directly from the board.

Additionally, the important position of board steward, of which there are several by reason of the necessity of simultaneous meetings, including the county and district fair meetings; and in this connection a presiding judge for harness racing should likewise be created; a supervisor of the pari-mutuel clerks at each track; track superintendents to inspect all California tracks; and such other officials are all important and must be maintained by the board to successfully carry out its work in the best interests of horse racing.

SAN FRANCISCO BRANCH OFFICE

More clerical and office help is required and the board should have a San Francisco branch office in view of the increase of northern California business.

All of these matters should be under the direction and control of the board, and to cover its personnel and general expenses as indicated the sum of a minimum of \$150,000 should be appropriated yearly, which together with the \$50,000 secret service and track policing as has been indicated, would be a total of \$200,000 yearly.

NEW YORK AND FLORIDA YEARLY BOARD ALLOWANCE

As illustrative, by way of comparison, the other two leading racing States in the United States, New York and Florida, allowed their boards respectively the following for the past fiscal or calendar year—\$101,964.00 and \$193,545.74.

REVENUE TO STATE SHOULD BE INCREASED

The question may immediately arise as to where this money is to come from and that brings up the suggestion of change in the revenue setup to the State of California. Many plans have been suggested, including in some instances the increase of the take to the State and reduction of the take by the track, and in others of the reducing of the breakage with the return of a portion to the bettors and the retention of the balance by the State in the place of the track, or a division between the State and the track, and in others of the law remaining

the same as it is with reference to revenue and the tracks paying a tax on the net profits over and above a certain minimum, and also other plans.

This is necessarily a question for the legislating authority of the State and not for the board. However, we are convinced that something must be done under one plan or another.

There is much to be said for this plan and for that but what is for the best is what you of the Legislature will have to arrive at.

BREAKAGE MUST BE CHANGED

With reference to the question of the breakage, it will be found that the New York law as it is now written requires a breaking to the five cents on the dollar with the breakage being divided equally between the State and the tracks. Some States break to the nickel, some to the dime and even some to the penny.

With reference to the breakage this must be kept in mind, of course: That an analysis of the revenue to the smaller private tracks and to the State, county and district fairs, will clearly disclose that if the breakage is changed and taken away these are the tracks that will suffer the most, as in most of these instances the profits now derived by them come from the breakage.

For the foregoing reason it may be best to look to a tax on the profits over and above a fair minimum return for the private tracks. If this plan is adopted an analysis of the returns of the smaller private tracks will disclose that a fair minimum is approximately \$150,000. If this figure were adopted as a minimum for all tracks then the percentage of net profit over and above this figure could be in such amounts as to the Legislature seem proper and, if desired, could be upon increased percentage based upon a graduated scale of profits.

The return on the breakage to the two largest privately owned tracks in the State is so great each year that unquestionably the amount as to these tracks should be very substantially reduced, so it may be that some fair figure as to the total amount of breakage received by each track might be considered as a proper minimum and over and above that amount be paid to the State. However, this plan would not return any part of the breakage to the persons to whom it really belongs—the bettors. Consequently, it may be that the better plan would be to reduce the breakage for all tracks and take care of the question of the minimum profits on the basis of the difference in the take as between the smaller and larger tracks.

NO SUGGESTED CHANGE IN ALLOCATION OF MONEYS

We are not recommending any change in the law as to where the money received from horse racing is to go. We feel that is a matter exclusively for the Legislature and we do not presume to make any suggestions in that connection other than to say that we are opposed to any change which would diminish the returns to the California State Fair, to the Los Angeles County Fair, to the Sixth District Agricultural Association, for a permanent exposition and exhibition of all citrus products, or any moneys paid to any State, citrus, county or district agricultural associations for fair purposes.

In our opinion these fair associations are factors of great good for the advancement of agriculture and breeding of all kinds of stock in the State of California and are entitled to whole-hearted support. No better source for the revenue from racing could be conceived, in our opinion, having in mind the great amount of good among the great number of people who are interested directly or indirectly in all such fairs throughout the entire State.

We do believe that the \$10,000 item provided for under Section 13 of the present act, to be given to the Department of Finance for auditing purposes, may be unnecessary. However, that is a matter for the Legislature.

With respect to the amount of moneys now paid to the California Polytechnic School and the University of California for support and permanent improvement, the question as to how much these institutions have received, and what they are receiving, and what their needs are, is a question for the consideration of the Legislature. There is no doubt but that these institutions have done, and are doing, a lot of good and are entitled to every consideration. When the percentages were arrived at originally as to the amount of moneys to be paid to them, it is true, we believe, that it was not anticipated that the revenue would ever total the great amount that it now does, and possibly a survey of these institutions as to the total amount they have so far received and as to their needs might be advantageous to the Legislature in determining what proportion of the revenue they should receive.

MUTUEL CLERKS

The question of the mutuel clerks on the California tracks is one that requires considerable revamping. The pari-mutuel clerks are the persons who come in direct contact with the public at the selling and cashiers' windows and the positions should be filled by persons who are as substantial as can be obtained for such work. First there should be a minimum wage scale arrived at, if possible, with the requirement of full-time work for most employees. The provision of Section 3 as it is now written—that at least 90 per cent of the employees of the pari-mutuel department shall have been residents or registered voters of this State for at least two years prior to the issuance of a license to them, or any of them—should be amended, if possible, to require only California employees, as to leave any figure of percentage, whether 10 per cent as now, or 1 or 2 per cent if reduced, is to leave a loophole for the unnecessary bringing-in of outside employees. Certainly there are enough people in California capable of filling all of these required positions, and people who are as much in need of the work as are outsiders.

As a matter of fact it might be a good idea for the Legislature to consider the question of making employees of the pari-mutuel departments State licensees under civil service and requiring the tracks to pay the salaries under the plan that is in existence with respect to certain other departments of the State Government.

JOCKEY INSURANCE

The law should be amended to make it mandatory for the tracks to take out and pay for accident and death insurance for every jockey

and exercise boy working in each race each day on the California tracks. The metropolitan tracks in California are now doing this at the direction of the California Horse Racing Board but this should be made a State law. These boys are the only ones on the race tracks that hazard anything worthwhile and most of them do not make enough to be able to afford the premiums on insurance, which are naturally high in such hazardous undertaking. Unfortunately, the owners find themselves in a like position in most instances in regard to their ability to pay the costs. Therefore the tracks, who are the principal beneficiaries under the law, should be required to pay these premiums, which should not cost more than \$125 a day and would give protection to all alike. Quite a number of these boys are injured yearly and some die, and it is usually observed when death occurs that most of them are penniless and their dependents are in no position to pay the burial expenses, let alone help themselves. This to our minds is a most humane law and should unquestionably be adopted.

The required insurance should be broad enough to relieve the owners of carrying compensation insurance in addition to that required by the new act.

CONTRACTS OF JOCKEYS WHO ARE MINORS

To protect owners who have educated and provided the means with which jockeys who are minors have become proficient, and likewise to protect the jockeys and their earnings so that a fair portion of their earnings may be saved for their future welfare, we recommend the amendment of Section 36 of the Civil Code to include jockeys under that classification of minors which now refers specifically to actors, actresses and others in dramatic service, wherein it is provided that the contracts of such minors may be approved by the superior court, in which event they become binding upon all parties and as a part of which provision is made for the protection of the earnings.

It is our suggestion that Sections 36 and 36.1 of the Civil Code be amended so as to include, in addition to minors engaged as actors or actresses or in dramatic pursuits, likewise minors engaged in professional sports of any kind. This will include jockeys and, we feel certain, will be a further safeguard around the relationship of jockey and owner as a mutual protection to both parties.

PRESENT STATUTES

The provisions of Sections 36 and 36.1 of the Civil Code above referred to are at present as follows:

36. A minor can not disaffirm a contract, otherwise valid, to pay the reasonable value of things necessary for his support, or that of his family, entered into by him when not under the care of a parent or guardian able to provide for him or them; provided, that these things have been actually furnished to him or to his family.

A minor can not disaffirm a contract otherwise valid to perform or render services as actor, actress, or other dramatic services where such contract has been approved by the superior court of the county where such minor resides or is employed. Such approval

may be given on the petition of either party to the contract after such reasonable notice to the other party thereto as may be fixed by said court, with opportunity to such other party to appear and be heard.

36.1. In any order made by the superior court approving a contract of a minor for the purposes mentioned in Section 36 of this code, the court shall have power, notwithstanding the provisions of any other statute, to require the setting aside and preservation for the benefit of the minor, either in a trust fund or in such other savings plan as the court shall approve, of such portion of the net earnings of the minor, not exceeding one-half thereof, as the court may deem just and proper, and the court may withhold approval of such contract until the parent or parents or guardian, as the case may be, shall execute and file with the court his or their written consent to the making of such order. For the purposes of this section the net earnings of the minor shall be deemed to be the total sum received for the services of the minor pursuant to such contract less the following: All sums required by law to be paid as taxes to any government or governmental agency; reasonable sums expended for the support, care, maintenance, education and training of the minor; fees and expenses paid in connection with procuring such contract or maintaining the employment of the minor; and the fees of attorneys for services rendered in connection with the contract and other business of the minor.

JOCKEYS' PAY

We are of the belief that jockeys should receive more money than they do. At present in all races the jockey on the winning mount receives \$25 and the remainder of the jockeys \$10 each. After they have paid their agents' fees, valets and other charges, the net amount is approximately \$19 to the winner and \$6 to the other boys. This matter of increase of pay for jockeys, of course, in our opinion, is not a matter for legislative enactment except to the extent that we would like the Legislature to provide somewhere in the law that the California Horse Racing Board has the authority to fix the minimum fee requirements of jockeys and all other licensees, which should include mutuel clerks. We are doing this at the present time under rules adopted by the board and the licensees are observing these rules. However, we do feel that we should have the additional authority at the hands of the Legislature in the act itself, so that there never can be any question raised as to our power in this regard. As illustrative of our present rulings, we have recently adopted a rule that in all races where there is a purse of \$1,000 or over the winning jockeys should receive \$50 instead of \$25 and we are at the present time giving consideration to enlarging this rule to provide some compensation to second and third places so as to give an added incentive to the riders.

It is our belief that any improvements that we can inaugurate which are fair and just on behalf of the jockeys, or any of the other licensees, is a move in the right direction to preserve the integrity of the races and of horse racing in general, and for those reasons we are asking the Legislature to support us by extending the authority which we are asking.

JOCKEY AGENTS

It might be well to give consideration to some provision either prohibiting jockeys' agents entirely or placing such restrictions around them as will tend to better conditions around California race tracks. This question of the jockeys' agents is a serious one that requires some correction.

RE CALIFORNIA BREEDERS

The California Horse Racing Law was enacted, according to its preamble, to aid agriculture and breeding in this State and, that being the case, the provision of the act relating to breeders and breeding should be amended to make them more elastic in that direction.

Section 4, which now reads:

"It is hereby declared that since the purpose of this act is the encouragement of agriculture and the breeding of horses in the State of California, that 3 per cent of the first money of every purse won by an animal bred in the State of California shall be paid to the breeder of such animal. Every licensee shall run at least one race each racing day which shall be limited to horses foaled in California. If sufficient competition can not be had among such class of horses, said race may be eliminated for said day and a substitute race provided instead."

should be amended to read, in substance at least, as follows:

"It is hereby declared that since the purpose of this act is the encouragement of agriculture and the breeding of horses in the State of California, that an amount equal to 10 per cent of the first, second, third and fourth money of every purse won by an animal bred in the State of California, as that term is in this section hereinafter defined, shall be paid to the breeder of such animal by the licensee. Every licensee shall run at least one race each racing day which shall be limited to horses bred and foaled from mares serviced by stallions in California, which foals of such mating shall have been dropped in California from said mares which have remained in California permanently after such mating until the foal is weaned. If sufficient competition can not be had among such class of horses, said race may be eliminated for said day and a substitute race provided instead, but the licensee shall average one such race each racing day during any one meeting."

Another wording for the proposed amendment has been suggested and we submit the same for the consideration of the Legislature, in the following words:

Sec. 4. It is hereby declared that since the purpose of this act is the encouragement of agriculture and the breeding of horses in the State of California, that an amount equal to 10 per cent of the first, second, third, and fourth money of every part of every purse won by an animal bred and foaled from a mare serviced by a stallion in the State of California shall be paid to the breeder of such animal by the licensee. Every licensee shall run at least one race each racing day which shall be limited to horses bred and foaled from mares serviced by stallions in the State of Cali-

ifornia, which foals of such mating shall have been dropped in California from said mares which have remained in California permanently after such mating until the foal is weaned. If sufficient competition can not be had among such class of horses, said race may be eliminated for said day and a substitute race provided instead, but the licensee shall average one such race each racing day during any one meeting.

It will be noted that the proposed amendment will require the racing association to pay the percentage of the winning purses to the breeder of the California horse rather than requiring the winner of the race to pay the same, as the present law requires.

In practice it has been demonstrated to require the owner of the horse winning the purse to pay the breeder a percentage of the purse won is in fact imposing a penalty upon the owners of California-bred horses, which is unjust.

At present the metropolitan racing associations are reimbursing the owner for this premium required by the purse law and are, additionally, paying the added amounts which we seek to be made a part of the law in accord with our suggested amendments. There is no question but that this is highly important as an incentive to California breeders and the owners of California-bred foals.

To change the definition of a California-bred to mean what the new amendment would classify it to mean—as a horse bred and foaled from a mare serviced by a stallion in California, which foal of such mating shall have been dropped in California from said mare which has remained in California permanently after such mating until the foal is weaned—will, in our opinion, tend to increase both the small and large breeding farms and thereby aid agriculture and breeding in California, and will likewise bring about the importation of better stallions into this State.

It will be argued that this amendment will have a tendency to make a more mediocre brand of California-bred foals but we are satisfied that after a year or two, with the increased number of breeding farms and imported stallions, that the California-bred foals will be the best in the country, if not in the world. At any rate, we are satisfied that the true intent and purpose of the act, for the best interests of agriculture and breeding in California, require this suggested amendment as being definitely necessary and proper.

In concluding on this branch of the proposed amendments we may say that it has been suggested, and not improperly, that the law should be changed to make it mandatory for each racing association to card not only one but two races each day for California-bred horses. We submit this thought to the Legislature for its consideration.

INSPECTION OF OUT-OF-STATE HORSES AT STATE LINE

We recommend that the law should likewise be amended to require strict inspection of all thoroughbred horses shipped into this State at the State line, or at such other place and/or in such other manner as may prove to be effective for the purpose of discovering the presence of diseases or defects in horses before they are permitted to enter this State, and to prevent the importation of any horses so affected.

APPLICATION FOR LICENSES

There should be a provision made in the California Horse Racing Act, possibly in Section 11 thereof, that no person, association or corporation intending to apply for a license to hold a horse race meeting in California should proceed with plans, construction or financing of the same until they have first taken up with the California Horse Racing Board the question of the filing of such an application for a license and received authority to proceed with the same.

This is to prevent organizations starting and almost completing the track before applying for a license and inducing many of the public to invest in the same without any assurance that the license will be granted when the track is completed. It will also prevent tracks mushrooming over the State and too much racing.

CORRUPTION

A new statute should be added to the Penal Code, either similar to Sections 337b to 337e, inclusive, of that code, which now deal with bribery and corruption of persons inside and outside of baseball, so as to cover all persons inside and outside of racing, or those sections should be repealed and a new provision of the Penal Code be enacted covering the same provisions as now contained in said Sections 337b to 337e relating to baseball, to cover all sports, both amateur and professional, in the State of California, including, among others, horse racing.

This provision of law with respect to corruption inside and outside of race tracks is one of the most vital questions that need attention. There is now a gap in the laws of California which makes it almost impossible to get to the true and real offenders against decency. There is a "must" attached to this suggestion if the best interests of horse racing in this State are to be considered.

THE PRESENT LAWS RELATING TO BRIBERY IN BASEBALL

The sections of the Penal Code protecting baseball from corruption read presently as follows:

337b. Any person who gives, or offers or promises to give, or attempts to give or offer, any money, bribe or thing of value, to any participant or player in any baseball game, with the intention or understanding or agreement that such participant or player shall not use his best efforts to win such baseball game, or so conduct himself in such baseball game that the opposing team shall thereby be assisted or enabled to win such game, is guilty of a felony, and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars, or by both such fine and imprisonment.

337e. Any person who accepts, or attempts to accept, or offers to accept, or agrees to accept, any money, bribe or thing of value, with the intention or understanding or agreement that he will not use his best efforts to win any baseball game in which he is participating or is about to participate in, or to so conduct

himself in such baseball game that the opposing team shall thereby be assisted or enabled to win such game, is guilty of a felony, and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars, or by both such fine and imprisonment.

337d. Any person who gives, or offers to give, or promises to give, or attempts to give, any money, bribe or thing of value to any person who is umpiring, managing or directing, or who is about to umpire, or manage or direct any baseball game, with the intention or agreement or understanding that such person or persons shall corruptly or dishonestly umpire, manage or direct said baseball game, or the players thereof, with the intention or purpose that the result of said baseball game will be affected or influenced thereby, is guilty of a felony and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars, or by both such fine and imprisonment.

337e. Any person who as umpire, manager or director receives or agrees to receive, or attempts to receive any money, bribe or thing of value, with the understanding or agreement that such umpire, manager or director shall corruptly conduct himself or shall corruptly umpire, manage or direct said baseball game, or any player or the players thereof, with the intention or purpose that the result of said baseball game will be affected or influenced thereby, is guilty of a felony and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars, or by both such fine and imprisonment.

**PROVISION OF PRESENT HORSE RACING LAW PERMITTING WAGERS
BY AGENTS SHOULD BE REPEALED**

At the same time and in line with the preceding suggestion to punish corruption we submit the following portion of Section 3 as now written should be repealed:

"A wager made inside an enclosure under the pari-mutuel system for a principal who is not within the enclosure shall be considered a wager made within the enclosure for the purpose of this act and any activity of the principal in connection with such wager shall not be considered a wager made outside the enclosure."

This last quoted provision of the present act has been the cause of considerable attempts at subterfuge on the part of bookmakers and has led to considerable embarrassment for law enforcement officers and the board and its officials, and should no longer be retained in the act, in our opinion.

STATUTE PERMITTING REFUSAL OF ADMITTANCE TO OR EJECTION OF RACE TRACK "TOUTS," BOOKMAKERS, PERSONS UNDER SUSPENSION OR "RULED OFF," AND OTHERS WHO MAY BE PROPERLY CLASSIFIED AS UNDESIRABLES FOR ONE CAUSE OR ANOTHER

In view of the present readings of Sections 53 and 54 of the Civil Code, which makes owners of a race course, among others, liable in damages for refusing admission or ejecting persons except in the limited cases under the influence of liquor or who may be guilty of boisterous conduct, or persons of lewd or immoral character, a great amount of litigation has developed and continues to increase with each race meeting by reason of the attempt of racing associations to keep their tracks clear of persons who have been found to be detrimental to the best interests of racing. Such persons may be in part more generally referred to as "touts," bookmakers or their employees, persons under suspension or "ruled off," either on California tracks or elsewhere, for reasons held to be detrimental to horse racing, persons engaged in "stooping" and persons guilty of other like conduct which is generally considered as detrimental to the best interests of horse racing or the public welfare.

It has been advocated from time to time that these sections of the Civil Code of California should be amended to make it possible for the tracks to police themselves with a greater degree of security to themselves so that they will not be subjected to the endless litigation that seems to follow their present activities in trying to handle the situation.

We are not recommending any specific amendment to the law in this regard at this time as we realize that it involves many complexities that require considerable time, study and survey to justify definite action. It may be that most of the problems can be taken care of under the rules of the Racing Board. We are including it in this resumé of the suggested changes in the laws pertaining to race tracks as it does present one of the most common practical problems that are continually arising during every race meet.

PRESENT SECTIONS OF CIVIL CODE REFERRED TO

Sections 53 and 54 of the Civil Code, herein referred to, read as follows:

53. It is unlawful for any corporation, person, or association, or the proprietor, lessee, or the agents of either, of any opera house, theater, melodeon, museum, circus, caravan, race course, fair, or other place of public amusement or entertainment, to refuse admittance to any person over the age of 21 years, who presents a ticket of admission acquired by purchase, or who tenders the price thereof for such ticket, and who demands admission to such place. Any person under the influence of liquor, or who is guilty of boisterous conduct, or any person of lewd or immoral character, may be excluded from any such place of amusement.

54. Any person who is refused admission to any place of amusement contrary to the provisions of the last preceding section, is entitled to recover from the proprietor, lessee, or their agents,

or from any such person, corporation or association, or the directors thereof, his actual damages, and one hundred dollars in addition thereto.

MOTION PICTURES OF RACES

As a suggested amendment to the California Horse Racing Law is an innovation that appears to have many good qualities if it can be worked out from a practical standpoint and that is the compulsory taking of motion pictures of every race on every private race track, at least in the State of California. A motion picture of every race, making possible the showing in slow motion, would prove of great psychological value for the purity of racing, as the human equation of racing would realize that the action of horse and man was being permanently recorded through mechanical and scientific means, and, as a result, it should prove of great deterrent effect upon any thought of trickery or crookedness or unfair or unsportsmanlike conduct.

If motion pictures were taken of each race under the mandate of the law, then a rule could be adopted providing that no purse should be paid on any race until the following day, after a review of the pictures by the stewards. This would not interfere with the payment on the pari-mutuels, which would depend upon the stewards' judgment at the time of the running of the races. However, it would be a further safeguard as respects the owners, trainers and jockeys, looking toward honesty in racing.

If this requirement was made mandatory with the tracks required to pay for the same, a further provision could be made that the films must be run in slow motion and looked at by the stewards on the following day, and that they must likewise be run by the racing organization on the next racing day following the taking of the same, at a place on the premises where any part of the public that wished might have the opportunity to see them run. This would have a tendency to establish confidence in the public and would prove beneficial in many respects.

A survey could be made for the benefit of the Legislature if the proper committees of the Legislature are interested in this plan as to the practicability of the same and the estimated cost.

PHOTO-FINISH CAMERA

In line with what we have said about the photographing of the entire race, provision should be made in the law likewise requiring every track operating in this State to make use of a photo-finish camera, and a survey should be made to establish what are the minimum requirements of such a camera, to the end that such requirements should be placed in the act.

This is very important as it has come to be regarded by the public as lending some authenticity to the decision of the judges, and without such a camera many disputes are bound to arise.

ELECTRIC STARTING GATE

Every track should likewise be required to use an electric starting gate and here also a survey should be made with the minimum requirements of such a gate to be stated in the act.

The electric starting gate has also come to be regarded by the public as a necessity for clean and honest racing and should be encouraged in every respect.

STATE FUNDS SHOULD BE USED TO PURCHASE STARTING GATES AND PHOTO-FINISH CAMERAS FOR RENTAL TO STATE, COUNTY AND DISTRICT FAIRS

The cost of the electric starting gate and the photo-finish camera are prohibitive so far as the State, county and district fairs are concerned, so far as ownership goes, and we recommend that a fund be set aside for the purchase of at least two modern electric starting gates and two modern photo-finish cameras to be owned by the California Horse Racing Board and to be rented at a nominal rental to the fairs and to the smaller tracks if they wish them.

IDENTIFICATION SYSTEM OF THOROUGHBREDS AT CALIFORNIA TRACKS

There should be some provision in the act requiring a uniform system of identification of horses, as a part of which every horse racing in California should be required to be photographed, his markings set down and to be checked against whenever the horse is entered in a race. There should be a new employee of the board to be designated appropriately as an identification expert, to be in charge of this division.

CONCLUSION

We have set forth here those matters that appeal to us as being of greater importance than others, and while we may have overlooked some that may be given consideration to, we are certain that others will call them to the attention of the Legislature. Should others come to the attention of the board which we feel should be submitted, we shall send them along as they may appear.

We sincerely and earnestly recommend to your Honorable Body that some drastic changes should be made in this law as it is now written if horse racing is to survive in California and be run in the manner in which it should be run for the benefit of the public. This board and its officials and employees are at your services at any time you may wish to call upon us to aid or assist you in arriving at what you believe to be proper and necessary.

Quite a number of these suggested changes made herein may more appropriately be left to rules of the Racing Board, such as jockeys' agents, identification expert, minimum requirements of electrical starting gates and photo-finish cameras, and the like, but they are all suggested here as presenting some subjects that require discussion and correction. If it is decided to leave a number of these matters to the Racing Board possibly some more elastic language might be used in permitting the board to enlarge their personnel of employees and in the administrative authority of the board.

Respectfully submitted,

CALIFORNIA HORSE RACING BOARD

By:

JERRY GIESLER, Chairman
CHAS. E. COOPER, Member

W. C. BUCHANAN, Secretary

APPENDIX

An act to amend Section 3 of an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meeting, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to horse racing and the wagering on the results thereof.

The people of the State of California do enact as follows:

SECTION 1. Section 3 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 3. Said racing board shall have full power to prescribe rules, regulations and conditions consistent with the provisions of this act under which all horse races, upon the results of which there shall be wagering, shall be conducted within the State of California. Said board shall make rules governing, permitting and regulating mutual wagering on horse races under the system known as pari-mutuel method of wagering, which shall be conducted only by such licensee and only within the inclosure and only on the dates for which such horse racing has been licensed by the board. ~~A wager made inside an enclosure under the pari-mutuel system for a principal who is not within the enclosure shall be considered a wager made within the enclosure for the purpose of this act and any activity of the principal in connection with such wager shall not be considered a wager made outside the enclosure.~~ All other forms of wagering or betting on the result of a horse race shall be and remain illegal and any and all wagering or betting on horse races outside the inclosure where such horse races shall have been licensed by the board shall be and remain illegal.

All horse owners, riders, agents, trainers, stewards, starters, timers, judges and others acting as officials at any such racing meeting, including all employees of the pari-mutuel department, shall be licensed by the board, pursuant to such rules and regulations as the board may adopt, and by the payment of a license fee as fixed and determined by said board. All licenses shall be granted for a period of one year and shall be valid at all race meetings in said State during said period. Said licenses shall be subject to revocation and no person shall be eligible to, or permitted to participate in such racing unless so licensed, and only during the time such license remains unrevoked. No qualified person shall be refused such license, nor shall such license be revoked without just cause.

~~At least 99 per cent of~~ All employees in the pari-mutuel department of any track shall have been residents or registered voters of this State for at least two years prior to the issuance of a license to them or any of them.

No license shall be issued by the board to any person who is eligible to vote in this State who has not registered as a voter in this State.

Said board shall have power to compel the production of any and all books, memorandum or documents showing the receipts and disbursements of any person, corporation or association licensed under the provisions of this act to conduct race meetings. The board may at any time require the removal of any employee or official employed by any licensee hereunder in any case where it shall have reason to believe that such employee or official has been guilty of any dishonest practice in connection with horse racing and has failed to comply with any condition of such licensee's license, or has violated any law or any rule or regulation of said board. The board shall also have the power to require that the books and financial or other statements of any person, corporation or association licensed under the provisions of this act shall be kept in any manner which to the board may seem best, and the board shall also be authorized to visit, investigate, and place expert accountants and such other persons as it may deem necessary in the offices, tracks or places of business of any such person, corporation or association, for the purpose of satisfying itself that the board's rules and regulations are strictly complied with. The said board shall have power to summon witnesses before it and to administer oaths or affirmations to such witnesses whenever, in the judgment of the board, it may be necessary for the effectual discharge of its duties; and any person failing to appear before said board at the time and place specified in answer to said summons or refusing to testify, shall be deemed guilty of a misdemeanor and, upon conviction in a court of competent jurisdiction, shall be punishable by a fine of not more than five hundred dollars (\$500) or by imprisonment for not more than six months, or by both such fine and imprisonment in the discretion of the court.

An act to amend Section 4 of an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to California bred horses.

The people of the State of California do enact as follows:

SECTION 1. Section 4 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 4. It is hereby declared that since the purpose of this act is the encouragement of agriculture and the breeding of horses in the State of California, that ~~three per cent of the first money~~ *an amount equal to 10 per cent of the first, second, third and fourth money of every part of every purse won by an animal bred and foaled from a mare serviced by a stallion in the State of California shall be paid to the breeder of such animal by the licensee.* Every licensee shall run at least one race each racing day which shall be limited to horses bred and foaled from mares serviced by stallions in the State of California,

which foals of such mating shall have been dropped in California from said mares which have remained in California permanently after such mating until the foal is weaned. If sufficient competition can not be had among such class of horses, said race may be eliminated for said day and a substitute race provided instead; but the licensee shall average one such race each racing day during any one meeting.

An act to amend Section 19562 of the Business and Professions Code, relating to horse racing and California bred horses.

The people of the State of California do enact as follows:

SECTION 1. Section 19562 of the Business and Professions Code is hereby amended to read as follows:

19562. It is hereby declared that since the purpose of this chapter is the encouragement of agriculture and the breeding of horses in this State, ~~three per cent~~ an amount equal to 10 per cent of the first, second, third and fourth money of every part of the first money of every purse won by an animal bred and foaled from a mare serviced by a stallion in this State shall be paid to the breeder of such animal by the licensee.

Every licensee shall run at least one race each racing day which shall be limited to horses bred and foaled from mares serviced by stallions in the State of California; which foals of such mating shall have been dropped in California from said mares which shall have remained in California permanently after such mating until the foal is weaned. If however sufficient competition can not be had among such class of horses, the race may be eliminated for the day and a substitute race provided; but the licensee shall average one such race each racing day during any one meeting.

An act to amend Section 6, 7 and 13 of an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to the regulation of horse racing.

The people of the State of California do enact as follows:

SECTION 1. Section 6 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 6. The board shall appoint a secretary who shall be placed under bond, the cost of said bond to be charged as a part of the necessary expenses of said board, and whose duty it shall be to keep a full and true record of all its proceedings, preserve at its general office all its books, documents and papers, prepare for service such notices and other papers, as may be required of him by the board, and to perform such other duties as the board may prescribe; and who may, under the direction of the board, issue subpoenas for the attendance

of witnesses before the board with the same effect as if they were issued in an action in the superior court, and may, under direction of the board, administer oaths, in all matters pertaining to the duties of his office or connected with the administration of the affairs of the board. Disobedience of such subpoena and false swearing before such secretary shall be attended by the same consequences and be subject to the same penalties as if such disobedience or false swearing occurred in an action in the superior court.

The members of the board shall serve without compensation other than their necessary traveling expenses.

The secretary of ~~said~~ the board shall receive a salary to be fixed by the ~~commission~~ board but not to exceed the sum of ~~four~~ ten thousand dollars (~~\$4,000~~) per year; ~~out of the fund aforesaid~~.

The salary of the secretary and the necessary traveling expenses and other expenses of the secretary and members of the board shall be paid monthly by the State Treasurer on the warrant of the State Controller and the certification of the chairman of the board out of the money appropriated to be used therefor.

The board shall appoint such employees, *including such employees as investigators, censors, veterinarians, plating inspectors, stewards, judges, track superintendents, and supervisors*, as may be necessary to carry out the provisions of this act *and to effectively supervise race meetings* and; *notwithstanding the provisions of the State Civil Service Act*, may with the approval of the Department of Finance fix their salaries which shall be paid out of any funds appropriated for the support of the board. ~~All employees of the board shall be exempt from the State Civil Service Act.~~

SEC. 2. Section 7 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 7. The board shall maintain a general office for the transaction of its business in the City of Sacramento *and may maintain branch offices at such other places in the State as the efficient transaction of its business may require*. The board may hold meetings at any place, other than the place in which the general office is located, when the convenience of the members of the board so requires.

A majority of the board shall constitute a quorum for the transaction of any business or for the exercise of any power of the board.

Said board shall biennially make a full report to the Legislature of its proceedings for the two years ending with the first day of December, preceding the meeting of the Legislature, and shall embody therein such recommendations as it shall deem desirable.

SEC. 3. Section 13 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 13. All fees, commissions, and other moneys received by the board shall be paid into the State Treasury immediately upon receipt of the same and credited to a special fund hereby created, to be known as the "Fair and Exposition Fund." There is hereby appropriated annually out of said moneys the following: ~~Thirty~~ *One hundred fifty* thousand dollars to the board ~~to defray the expenses of the officers and employees provided for herein;~~ *for the administration of this act;* ~~fifty~~ *thousand dollars (\$50,000)* to the board *for investigative purposes in connection with horse racing and the administration of this act;* one

hundred twenty-five thousand dollars (\$125,000) for the support of the California State Fair; one hundred twenty-five thousand dollars (\$125,000) to the Los Angeles County Fair; fifteen thousand dollars (\$15,000) to the Sixth District Agricultural Association of the State of California, for the purpose of holding a permanent exposition and exhibition of all citrus products and of all of the industries and industrial enterprises, resources, and products of every kind and nature of the State of California, with a view of improving, exploiting, encouraging and stimulating the same, to which there shall never be any charge of admission, and for the support of the buildings and grounds and other property of the Sixth District Agricultural Association; ten thousand dollars (\$10,000) to the Department of Finance for supervision and auditing of district agricultural fairs and district agricultural associations; of the balance of said moneys after all of the above deductions have been made, 5 per cent for payment to and use of those certain fruit fairs defined in Section 94 of the Agricultural Code, but not to district agricultural associations or county fairs, said sum to be apportioned between such citrus fruit fairs upon the basis of the population of the several counties in which such fairs are held, and if only one such fair is held, then it shall receive all of said sum; 40 per cent of such balance for the encouragement of county, district, or combined county and district agricultural fairs (exclusive of the Los Angeles County Fair, the Sixth District Agricultural Association and such citrus fruit fairs) to be apportioned by and expended under the supervision of the Department of Finance in the manner and for the purpose prescribed by Section 92 of the Agricultural Code and other applicable provisions of law, but no such county, district or combined county and district agricultural fair shall receive a sum greater than sixty-five thousand dollars (\$65,000) from the Fair and Exposition Fund in any one year. If in any year said 40 per cent of such balance is less than 60 per cent of the amount of said 40 per cent of such balance in the year 1935, then during said year the apportionment to all fairs shall be made in the manner and upon the basis prescribed by Section 13 of Chapter 769 of the Statutes of 1933 and by Section 92 of the Agricultural Code. The balance of said moneys in said fund after all of the above deductions have been made is hereby allocated for expenditure without regard to fiscal years, as follows: Twenty-five per cent for permanent improvements at, or support of, the California Polytechnic School; 33 per cent for permanent improvements at, or support of, the University of California; the remainder for permanent improvements upon the property of the State, citrus, county, or district agricultural associations for fair purposes, in such amounts as may be allocated by executive order by the Director of Finance.

An act to amend Sections 19431, 19437, 19438 and 19621 of the Business and Professions Code, relating to the regulation of horse racing.

The people of the State of California do enact as follows:

SECTION 1. Section 19431 of the Business and Professions Code is hereby amended to read as follows:

19431. The board shall maintain a general office for the transaction of its business in the City of Sacramento *and may maintain branch offices at such other places in the State as the efficient transaction of its business may require.* The board may hold meetings at any other place when the convenience of the members of the board requires.

A majority of the board constitutes a quorum for the transaction of business or for the exercise of any power of the board.

SEC. 2. Section 19437 of the Business and Professions Code is hereby amended to read as follows:

19437. The secretary shall receive a salary to be fixed by the ~~commission~~ board but not to exceed the sum of ~~four~~ ten thousand dollars per year.

SEC. 3. Section 19438 of the Business and Professions Code is hereby amended to read as follows:

19438. The board shall appoint such employees; *including such employees as investigators, censors, veterinarians, plating inspectors, stewards, judges, track superintendents, and supervisors,* as may be necessary to carry out the provisions of this chapter and; *notwithstanding the provisions of the State Civil Service Act,* may with the approval of the Department of Finance fix their salaries.

SEC. 4. Section 19621 of the Business and Professions Code is hereby amended to read as follows:

19621. There is hereby appropriated annually *to the board* out of the fund the sum of ~~thirty~~ *one hundred fifty* thousand dollars ~~to the board to defray the expenses of the officers and employees provided for herein~~ *for the administration of this act* and fifty thousand dollars (\$50,000) *for investigative purposes in connection with horse racing and the administration of this act.*

An act to add Section 10.5 to an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to the regulation of horse racing.

The people of the State of California do enact as follows:

SECTION 1. Section 10.5 is hereby added to the act cited in the title hereof, to read as follows:

Sec. 10.5. No person, partnership, firm, association or corporation shall proceed with the preparation of plans and specifications for, or the construction of, any horse racing track, nor shall any person, partnership, firm, association or corporation sell or offer for sale, or solicit the sale or take subscriptions for the sale of stock or other evidences of an interest in any corporation, association, firm or partnership which is incorporated or organized for the purpose of conducting horse racing in this State until such person, partnership, firm, association or corporation shall have applied for and obtained permission

from the board to proceed with the preparation of final plans and specifications for, and the construction of, a horse racing track or permission to sell stock or other evidence of an interest in any such corporation, association, firm or partnership.

The board may deny permission to proceed with the preparation of final plans and specifications for, and the construction of, a horse racing track or permission to sell stock or other evidences of an interest in any corporation, association, firm or partnership which is incorporated or organized for the purpose of conducting horse racing upon any ground which would justify the board in denying a license to operate a racing track constructed in the manner and in the location proposed, and financed and operated under the conditions contained in the application for such permission, and as a condition precedent to the granting of a license under this act, the board may require that the conditions outlined in the application made under this section at the time permission to proceed is granted be followed to completion.

An act to add Section 19464 to the Business and Professions Code, relating to the regulation of horse racing.

The people of the State of California do enact as follows:

SECTION 1. Section 19464 is hereby added to the Business and Professions Code, to read as follows:

19464. No person, partnership, firm, association or corporation shall proceed with the preparation of plans and specifications for, and the construction of, any horse racing track, nor shall any person, partnership, firm, association or corporation sell or offer for sale, or solicit the sale or take subscriptions for the sale of stock or other evidences of an interest in any corporation, association, firm or partnership which is incorporated or organized for the purpose of conducting horse racing in this State until such person, partnership, firm, association or corporation shall have applied for and obtained permission from the board to proceed with the preparation of final plans and specifications for, and the construction of, a horse racing track or permission to sell stock or other evidence of an interest in any such corporation, association, firm or partnership.

The board may deny permission to proceed with the preparation of final plans and specifications for, and the construction of, a horse racing track or permission to sell stock or other evidences of an interest in any corporation, association, firm or partnership which is incorporated or organized for the purpose of conducting horse racing upon any ground which would justify the board in denying a license to operate a racing track constructed in the manner and in the location proposed, and financed and operated under the conditions contained in the application for such permission, and as a condition precedent to the granting of a license under this act, the board may require that the conditions outlined in the application made under this section at the time permission to proceed is granted be followed to completion.

An act to add Section 11.5 to an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse

Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to compensation insurance for jockeys and exercise boys.

The people of the State of California do enact as follows:

SECTION 1. Section 11.5 is hereby added to the act cited in the title hereof, to read as follows:

Sec. 11.5. As a condition precedent to the issuance of any license under this act, the applicant therefor shall file with the board evidence that he has procured and paid the premium upon a certificate of insurance from an insurer authorized to write compensation insurance within this State providing compensation insurance for all jockeys and exercise boys who are permitted or allowed upon the premises of the licensee while they are engaged in the performance of the duties for which they are employed upon such premises and without regard to whether or not such jockeys or exercise boys are employees of the licensee.

An act to add Section 19480.5 to the Business and Professions Code, relating to compensation insurance for jockeys and exercise boys.

The people of the State of California do enact as follows:

SECTION 1. Section 19480.5 is hereby added to the Business and Professions Code, to read as follows:

19480.5. As a condition precedent to the issuance of any license under this chapter, the applicant therefor shall file with the board evidence that he has procured and paid the premium upon a certificate of insurance from an insurer authorized to write compensation insurance within this State providing compensation insurance for all jockeys and exercise boys who are permitted or allowed upon the premises of the licensee while they are engaged in the performance of the duties for which they are employed upon such premises and without regard to whether or not such jockeys or exercise boys are employees of the licensee.

An act to add Section 14.5 to an act entitled "An act to provide for the regulation and licensing of horse racing, horse race meetings, and the wagering on the results thereof; to create the California Horse Racing Board for the regulation, licensing and supervision of said horse racing and wagering thereon; to provide penalties for the violation of the provisions of this act, and to provide that this act shall take effect upon the adoption of a constitutional amendment ratifying its provisions," approved June 5, 1933, relating to equipment required in connection with horse racing and making an appropriation therefor.

The people of the State of California do enact as follows:

SECTION 1. Section 14.5 is hereby added to the act cited in the title hereof, to read as follows:

Sec. 14.5. Every licensee conducting a horse race meeting shall use an electric starting gate of a type approved by the board in the starting of every race and shall equip the track with photo finish camera equipment of a type approved by the board and use the same for the purpose of recording the finish of every horse race.

In order to facilitate compliance with this section by county and district fairs and other licensees of the board, the board may purchase or lease out of any funds available to it two or more mobile electric starting gates and two or more photo finish cameras, which it is hereby authorized to rent to the licensees of the board at a reasonable rental to be fixed by the board with the approval of the Department of Finance.

The money received by the board from such rentals shall be paid by it into the State Treasury and credited to the "Fair and Exposition Fund" in the same way as other money received by the board is paid into the State Treasury and credited to such fund.

Sec. 2. The sum of _____dollars, or so much thereof as may be necessary, is hereby appropriated to the California Horse Racing Board out of the "Fair and Exposition Fund," to be expended by it in the purchase of mobile electric starting gates and mobile photo finish cameras. The money hereby appropriated shall be paid from the same portion of the "Fair and Exposition Fund" as the money otherwise appropriated for the support of the board is paid.

An act to add Section 19564 to the Business and Professions Code, relating to equipment required in connection with horse racing and making an appropriation therefor.

The people of the State of California do enact as follows:

SECTION 1. Section 19564 is hereby added to the Business and Professions Code, to read as follows:

19564. Every licensee conducting a horse race meeting shall use an electric starting gate of a type approved by the board in the starting of every race and shall equip the track with photo finish camera equipment of a type approved by the board and use the same for the purpose of recording the finish of every race.

In order to facilitate compliance with this section by county and district fairs and other licensees of the board, the board may purchase or lease out of any funds available to it two or more mobile electric starting gates and two or more photo finish cameras, which it is hereby authorized to rent to the licensees of the board at a reasonable rental to be fixed by the board with the approval of the Department of Finance.

The money received by the board from such rentals shall be paid by it into the State Treasury and credited to the "Fair and Exposition Fund" in the same way as other money received by the board is paid into the State Treasury and credited to such fund.

Sec. 2. The sum of _____dollars, or so much thereof as may be necessary, is hereby appropriated to the California Horse Racing Board out of the "Fair and Exposition Fund," to be expended by it in the purchase of mobile electric starting gates and mobile photo finish cameras. The money hereby appropriated shall be paid from the same

portion of the "Fair and Exposition Fund" as the money otherwise appropriated for the support of the board is paid.

An act to repeal Section 19595 of, and to amend Section 19514 of, the Business and Professions Code, relating to horse racing and wagering upon the results thereof.

The people of the State of California do enact as follows:

SECTION 1. Section 19595 of the Business and Professions Code is hereby repealed.

SEC. 2. Section 19514 of the Business and Professions Code is hereby amended to read as follows:

19514. ~~At least 90 per cent of~~ All employees in the pari-mutuel department of any track shall have been residents or registered voters of this State for at least two years prior to the issuance of a license to them or any of them.

An act to amend Section 36 of the Civil Code.

The people of the State of California do enact as follows:

SECTION 1. Section 36 of the Civil Code is hereby amended to read as follows:

36. A minor can not disaffirm a contract, otherwise valid, to pay the reasonable value of things necessary for his support, or that of his family, entered into by him when not under the care of a parent or guardian able to provide for him or them; provided, that these things have been actually furnished to him or to his family.

A minor can not disaffirm a contract, otherwise valid, to perform or render services as actor, actress, or other dramatic services; *as participant or player in professional sports, including, but without being limited to, professional boxers, professional wrestlers and professional jockeys*, where such contract has been approved by the superior court of the county where such minor resides or is employed. Such approval may be given on the petition of either party to the contract after such reasonable notice to the other party thereto as may be fixed by said court, with opportunity to such other party to appear and be heard.

An act to amend Sections 337b, 337c, 337d and 337e of the Penal Code, relating to bribery in connection with sporting events, contests and exhibitions.

The people of the State of California do enact as follows:

SECTION 1. Section 337b of the Penal Code is hereby amended to read as follows:

337b. Any person who gives, or offers or promises to give, or attempts to give or offer, any money, bribe or thing of value, to any participant or player of any ~~baseball game~~ *sporting event, contest, or exhibition of any kind whatsoever and specifically including but without being limited to, such sporting events, contests, and exhibitions as baseball, football, boxing, wrestling and horse-racing*, with the intention or understanding or agreement that such participant or player shall not

use his best efforts to win such ~~baseball game~~ *sporting event, contest or exhibition*, or so conduct himself in such ~~baseball game~~ *sporting event, contest or exhibition* that ~~the opposing team~~ *any other player, participant or team of players or participants* shall thereby be assisted or enabled to win such ~~game~~ *sporting event, contest or exhibition*, is guilty of a felony, and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars (\$5,000), or by both such fine and imprisonment.

SEC. 2. Section 337c of the Penal Code is hereby amended to read as follows:

337c. Any person who accepts, or attempts to accept, or offers to accept, or agrees to accept, any money, bribe or thing of value, with the intention or understanding or agreement that he will not use his best efforts to win any ~~baseball game~~ *sporting event, contest or exhibition of any kind whatsoever, and specifically including but without being limited to, such sporting events, contests or exhibitions as baseball, football, boxing, wrestling and horse-racing*, in which he is *playing or participating* or is about to *play or participate* in, or to so conduct himself in such ~~baseball game~~ *sporting event, contest or exhibition* that ~~the opposing team~~ *any other player or participant or team of players or participants* shall thereby be assisted or enabled to win such ~~game~~ *sporting event, contest or exhibition*, is guilty of a felony, and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars (\$5,000), or by both such fine and imprisonment.

SEC. 3. Section 337d of the Penal Code is hereby amended to read as follows:

337d. Any person who gives, or offers to give, or promises to give, or attempts to give, any money, bribe or thing of value to any person who is *umpiring, managing or, directing, refereeing, supervising, judging, presiding or officiating at*, or who is about to *umpire, or manage or, direct, referee, supervise, judge, preside or officiate at any* ~~baseball game~~ *sporting event, contest or exhibition of any kind whatsoever, and specifically including but without being limited to, such sporting events, contests and exhibitions as baseball, football, boxing, wrestling and horse-racing*, with the intention or agreement or understanding that such person ~~or persons~~ shall corruptly or dishonestly *umpire, manage or, direct, said baseball game, referee, supervise, judge, preside or officiate at, any such sporting event, contest or exhibition*, or the *players or participants* thereof, with the intention or purpose that the result of ~~said baseball game~~ *the sporting event, contest or exhibition* will be affected or influenced thereby, is guilty of a felony and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars (\$5,000), or by both such fine and imprisonment.

SEC. 4. Section 337e of the Penal Code is hereby amended to read as follows:

337e. Any person who as *umpire, manager or, director, referee, supervisor, judge, presiding officer or official* receives or agrees to receive, or attempts to receive any money, bribe or thing of value, with the understanding or agreement that such *umpire, manager or, direc-*

tor, referee, supervisor, judge, presiding officer or official shall corruptly conduct himself or shall corruptly umpire, manage or, direct, ~~said baseball game referee, supervise, judge, preside or officiate at, any sporting event, contest or exhibition of any kind whatsoever, and specifically including but without being limited to, such sporting events, contests and exhibitions as baseball, football, boxing, wrestling and horse-racing, or any player or the players or participant thereof, with the intention or purpose that the result of said baseball game the sporting event, contest or exhibition will be affected or influenced thereby,~~ is guilty of a felony and shall be punished by imprisonment in the State prison for a period not exceeding five years, or by a fine not exceeding five thousand dollars (\$5,000), or by both such fine and imprisonment.

Mr. Thomas F. Kilmartin, board member, presents a separate statement in the form of the following letter:

“January 2nd, 1941

Mr. Jerry Giesler
215 W. 5th Street
Los Angeles, California

DEAR MR. GIESLER: I am not in accord with the recent recommendations, (a copy of which you sent me) to the Legislature in regard to a proposed new Racing Bill and for that reason I request that this letter supplement the original letter of recommendations sent in by the Racing Board.

My objections to the original draft were given in my letter to you under date of December 26th, 1940.

Following are the matters on which I do not agree:

1. Salaries of Secretary and Assistant Secretary of the Racing Board.
2. Salary of Censor and Assistant.
3. Public Relations man for Racing Board.
4. Annual Salary for Judge of Harness Races.
5. Suggest that Mutual “take” be reduced from 12% to 10%, and that a formula be arranged on a graduated scale whereby the State’s percentage will be increased when total mutual play passes a fixed amount annually with any track.
6. New tracks first licensed after October 1st, 1940 be allowed to operate on the basis where the State takes the minimum percentage for four years.
7. I am against any legal regulation of Mutual Clerks.
8. I do not favor an insurance law for protection of Jockeys and Exercise boys. The State Workmans Compensation law if enforced protects them amply. An accident policy carried by the tracks could supplement the State law.
9. I disagree with the Racing Board and all others who favor the law or rule which defines a “California Bred”, the produce of a mare that was serviced by a stallion in California and the foal dropped in California. California Breeders should have access to any stallion anywhere without penalty if the produce of any such mating is dropped in California.

10. The matter of jockey agents could be settled by the Jockey Guild and the Racing Board. No law necessary.
11. Racing is too much of a National sport to limit out of state stables and many California owned horses to 75% of all races. I favor no change in the present law of one race per day for California Breds.
12. I am heartily in favor of any law which will lessen corruption and eliminate undesirables from racing.
13. I believe the matter of starting gates, motion pictures, photo finish cameras, etc., should be left entirely to the Racing Board and not injected into the racing law. The Racing Board should be enabled to furnish such equipment to County and Agricultural Fairs at a nominal rental.

In conclusion, I am in favor of leaving all regulatory powers to the Racing Board and outside of a new formula for the amount and distribution of the Mutual "take," and any law which will lessen corruption, I have at present no further comment to make.

No doubt legislative committees will go into these matters thoroughly at which time many good suggestions will be presented for their consideration.

An honest and competent Racing Board which is free from political or other domination can amply protect the best interests of all concerned if empowered to do so.

Sincerely yours,

T. F. KILMARTIN"—Signed

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